

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH 27602

COMMISSIONERS

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JOHN W. WINTERS

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A HARTWELL CAMPBELL

DOUGLAS P. LEARY

AO 83-003

June 22, 1983

Mr. McNeill Smith
P. O. Box 21927
Greensboro, North Carolina 27420

Dear Mr. Smith

I appreciated your confidence in my integrity as expressed in the Board of Ethics' ruling on the facts of the situation that arose last summer. In that connection, I want you to know that I have now received, from the U. S. Department of Energy (DOE), reimbursement of my expenses associated with the trips to France and our Nation's nuclear research facilities which I took at DOE's request.

I strongly feel that the information gained from these nuclear inspections was very beneficial to the Nation and to North Carolina, which as you know, has a large percentage of nuclear generating capacity. France, of course, is the world leader in the development of nuclear power. I have since been called on to participate and provide advice to DOE and Congressional offices and committees on subjects concerning or related to nuclear power.

Thank you again for your fairness in this and related matters presented to you. Needless to say, I am maintaining a photostat of the DOE check for my records.

Sincerely,

RobertK.Koger

Chairman

RKK/jm

cc: Millie Donavant



NORTH CAROLINA BOARD OF ETHICS

116 WEST JONES STREET

RALEIGH 27611

1 91 9) 733-5103

**MCNEILL SMITH
CHAIRMAN**

December 28, 1982

Robert K. Koger, Chairman
N. C. Utilities Commission
Raleigh, North Carolina 27602

Regarding: Your letter of August 2, 1982

Dear Mr. Koger:

Based on the information in your letter and what we have been able to learn in the meantime, we do not see any conflict of interest in serving on the national advisory board where a substantial portion of that board comprises regulators chosen from all the states. Instead there can be real advantages to the state in service on such a board.

As to the trip to France, we do not know all the details or how it relates to regulating utilities in North Carolina, but if the trip was made at the request of and under sponsorship of the United States Department of Energy we assume there was a direct relationship. If it was also your understanding that the United States Department of Energy was going to pay for the trip we do not believe there was impropriety involved.

Very truly yours,

McNeill Smith
Chairman

McNS:d

cc: N. C. Board of Ethics



rec. 9/21/82
to board

COMMISSIONERS

State of North Carolina

Utilities Commission

Raleigh 27602

ROBERT K. KOGER, CHAIRMAN
DP LEIGH H HAMMOND

SARAH LINDSAY TATE JOHN
W. WINTERS EDWARD B HIPPI

A HARTWELL CAMPBELL

DOUGLAS P. LEARY

September 16, 1982

Ms. Millie Donavant, Assistant
North Carolina Board of Ethics
Administration Building
116 West Jones Street
Raleigh, North Carolina 27601

Dear Ms. Donavant:

This is in reference to my earlier letter to the Honorable McNeill Smith, Chairman. A portion of that letter asked the Board to advise Commissioner Hammond and myself regarding instances of meetings in which our reasonable travel expenses were reimbursed by ratepayer funded electric industry research and safety organizations (in lieu of the State) in carrying out our *National Association* of Regulatory Utility Commissioners' oversight roles.

In order that you might be fully informed of all developments, my appointed terms as NARUC'S representative to both the Institute of Nuclear Power Operations and the Electric Power Research Institute expire in less than two months. I do not intend to seek or accept reappointment. The new President of NARUC taking office on November 10, 1982, will appoint replacements for me from the membership of state commissions outside North Carolina. Since these council meetings are held infrequently, there are no meetings scheduled between now and November 10, and no participation required. Commissioner Hammond's participation with the EPRI-funded national Electric Utility Rate Design Study will also conclude this year.

Sincerely,

Robert K. Koger
Chairman

RKK/jm



Received 2:30
August 3, 1982
sent to [unclear]

COMMISSIONERS
ROBERT K KOGER CHAIRMAN
DR LEIGH H HAMMOND
SARAH LINDSAY TATE
JOHN W WINTERS
EDWARD S. HIPPIE
A HARTWELL CAMPBELL
DOUGLAS P LEARY

State of North Carolina
Utilities Commission
Raleigh 27602

August 2, 1982

Honorable McNeill Smith
Chairman, N. C. Board of Ethics
c/o Smith, Moore, Smith, Schell & Hunter
P. O. Box 21927
Greensboro, N. C. 27420

Dear Mr. Smith:

The North Carolina Utilities Commission has been called upon from time to time to appoint members of the Commission to national advisory boards and to participate in national forums which we believe are of vital interest to utility customers in North Carolina.

The boards and forums sometimes require travel by members of the Commission. Representatives of the news media have made inquiries concerning the method of handling travel expenses in three instances.

We are seeking your guidance in connection with the manner in which the travel expenses for meetings and forums such as these should be handled.

The three instances of such expenses which have caused inquiries are as follows:

1. The undersigned and one additional Commissioner are on various advisory boards of the Electric Power Research Institute as appointees of the National Association of Regulatory Utility Commissioners (NARUC) to oversee and audit the research and development expenditures of the Institute, inasmuch as the Institute is supported by expenditures from electric utilities throughout the country which are included in operating expenses of such utilities. The functions of the advisory board require periodic meetings and inspection tours done in behalf of the National Association of Regulatory Utility Commissioners (NARUC). It is the custom of the Electric Power Research Institute to reimburse the members of the advisory boards for the actual travel expenses for such meetings, to reduce the burden on individual states.

2. I also serve at the appointment of the NARUC on the Advisory Council to the Board of the Institute for Nuclear Power Operations to represent the views of State regulation in an effort to insure the safety of nuclear generators throughout the country. Travel expenses to a meeting in this capacity have been reimbursed by the Institute. This Institute is also supported by electric utilities as operating expenses of the utility members.

3. One member of the Commission has been appointed to a Federal Communications Commission/State Commission Joint Board, and as an indirect result of such national position in regulation of telephone utilities has been requested to participate on national forums to present the position of State regulation. An illustration is the communications forum in connection with the Telecommunications Showcase sponsored by the United States Independent Telephone Association and Equipment Manufacturers annually. The Commissioner involved spoke at the forum to respond to the FCC Commissioner at the forum, to present the viewpoint of local telephone customers whose interests were threatened by federal decisions. His travel expenses were approved and paid by the State of North Carolina, but the State was subsequently reimbursed by the United States Independent Telephone Association, the organizer of the jointly sponsored Showcase, solely in the interest of North Carolina taxpayers.

The Utilities Commission will appreciate very much your consideration and guidance regarding the proper method in which to administer the expenses of such travel.

Very truly yours,

Robert K. Koger
Chairman, N. C. Utilities Commission

RKK:lbe

cc: Hon. McNeill Smith
N. C. Board of Ethics
Raleigh, N. C.

National Association of Regulatory Utility Commissioners

EDWARD F. B1: BURKE /resident
Rhode Island Public Utilities Commission
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Providence, Rhode Island 029(13

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Indiana Public Service Commission
901 State Office Building
Indianapolis. Indiana 462'11-;

JUNIE L. BRADSHAW, *Second Vice President*
Virginia Staw Corporation Commission
Jefferson Building
first ()1f Office Box 1197
Richmond, Virginia k-inia 232()!1

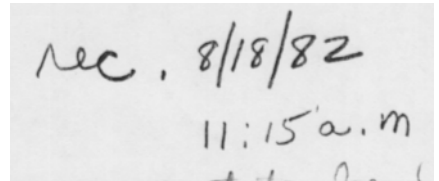
1102 Interstate Commerce Commission Building
Constitution Avenue and Twelfth Street, N. W.
Post Office Box 684, Washington, D.C. 20044-0684

Telephone: 202 - 628-7324



PAUL RODGERS
Adm i Administrative
Administrative Director
General Counsel
GAILE ARGIO
Treasurer

August 17, 1982



The Honorable McNeill Smith, Chairman
North Carolina Board of Ethics c/o Smith,
Moore, Smith, Schell & Hunter
P. O. Box 21927
Greensboro, North Carolina 27420

Dear Chairman Smith:

I have received a copy of the letter to you of August 2, 1982, from Chairman Robert K. Koger of the North Carolina Utilities Commission regarding the payment of commissioner travel expenses by utility-related organizations over which they exercise oversight on behalf of the National Association of Regulatory Utility Commissioners (NARUC).

The NARUC has a policy of seeking State commissioner representation on advisory bodies to the Electric Power Research Institute, the Institute of Nuclear Power Operations, the Nuclear Electric Insurance Limited, the Gas Research Institute, and similar organizations.

These organizations are supported by utility ratepayers and, therefore, it is important that State officials exercise oversight as to their programs whose ultimate purpose is to advance the public interest. It is customary for the .Mate commissioner representatives to be reimbursed by the organization for their reasonable travel expenses in carrying on their oversight activities. Otherwise, these expenses would have to be borne by the taxpayers of their State, although the representatives are performing a national role; or the direct public scrutiny would have to be dispensed with altogether, to the detriment of utility ratepayers.

To my knowledge, this practice of reimbursement of advisory public officials by the utility-related organization subject to oversight has not been seriously questioned elsewhere in the Nation. Clearly, the State commissioners involved derive no financial benefit frill service in this capacity, but the public interest is protected by such scrutiny.

The Honorable McNeill Smith

August 17, 1982

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Service by State commissioners on Federal-State Joint Boards established by the Federal Communications Commission is also highly important in protecting the welfare of local telephone ratepayers since there is a trend at the Federal level to assign more of the national network costs to them.

We of the NARUC are very proud of the national contributions made by the North Carolina commissioners. We hope that they will be permitted to continue in this leadership role.

With warm personal regards and best wishes, I am

Sincerely yours,

Paul Rodgers
Administrative Director

PR/ds

cc: Hon. Millie Donovan, Secretary,
North Carolina Board of Ethics